

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 269 - HB 866

February 28, 2021

SUMMARY OF BILL: Prohibits the Alcoholic Beverage Commission (ABC) from auctioning off contraband alcoholic beverages at less than 25 percent of the average retail price, as determined by ABC.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- No contraband liquor was auctioned by ABC prior to FY20-21.
- In FY20-21 two contraband liquor auctions were held with an average retail market price of approximately \$2,000 and \$14,500. These two "lots" were auctioned and sold for \$1,475 and \$9,200 respectively.
- Therefore, the estimated percentage that the lots of contraband alcoholic beverages were sold for were approximately 78 percent ($\$1,475 / \$2,000$) and 63 percent ($\$9,200 / \$14,500$) of the estimated average retail price.
- Because neither of these lots were sold for less than 25 percent of the estimated average retail price, and no other auctions occurred before FY20-21, the fiscal impact of the proposed legislation is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Bojan Savic".

Bojan Savic, Interim Executive Director

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